

## God's Wisdom in Managing Money

### Session 2: Financial Deceptions Leader's Copy More Interactive

Presentation by: Thomas R. Copland, CPA, CA

© Thomas R. Copland

## Financial Deceptions :

In this world, we are bombarded with all kinds of false concepts with regard to finances. I call these "financial deceptions." **Financial deceptions are beliefs that appear to be correct but are contrary to God's principles** and often tempt people to get into debt.



1. Do you think "living paycheck to paycheck" is common?

Yes! And Living paycheck to paycheck is the first Financial Deception

Statistics reveal that 80 to 90 percent of people live "paycheck to paycheck"—that is, they spend all their regular income and have no savings.

God says: *"The wise man saves for the future, but the foolish man spends whatever he gets". (Proverbs 21:20 TLB)*

Most people fall into the foolish category, as they do not regularly save for things such as:

1. Anticipated non-monthly expenses (e.g., property taxes, annual insurance premiums, vacation, automobile replacement)
2. Normal *unexpected* expenditures (e.g., automobile or home repairs)

Financial Deception #1—Living paycheck to paycheck is Okay

3. A significant reduction in the family's income (e.g., one spouse out of work)
4. Long-term needs such as retirement or children's education.

Financial Deception #1—Living paycheck to paycheck is Okay

Jesus recommends that you save for future needs.

*"Suppose one of you wants to build a tower. Will he not first sit down and estimate the cost to see if he has enough money to complete it? For if he lays the foundation and is not able to finish it, everyone who sees it will ridicule him, saying, 'This fellow began to build and was not able to finish.'"* (Luke 14:28-30)

7

Financial Deception #1—Living paycheck to paycheck is Okay

In summary, living paycheck to paycheck is not consistent with God's Word. God's Word is clear that we should plan ahead and save for future needs.



8

Financial Deception #2—Debt Restructuring Will Solve Your Financial Problems

Common steps used to deal with excess debt include the following:

1. Personal line of credit to pay off credit cards
2. Second mortgage on home
3. Withdraw money from retirement plan.

Debt restructuring can lower interest costs but it does not deal with the underlying problem—i.e. spending more than one is earning.

9

Financial Deception #2—Debt Restructuring Will Solve Your Financial Problems

Common reasons for spending more than you earn over a long period of time include:

1. Lack of knowledge. God admonishes us: *"By wisdom a house is built, and through understanding it is established; through knowledge its rooms are filled with rare and beautiful treasures (Prov 24:3,4).*
2. Lack of discipline (Proverbs 13:18 says: *"He who ignores discipline comes to poverty"*)
3. Unwillingness to sacrifice as needed (Luke 9:23)
4. A worldly attitude or mindset [Proverbs 16:2].

10

Some worldly attitudes or mindsets that can give rise to financial problems include:

- covetousness (Exodus 20:17)
- lack of contentment (Hebrews 13:5)
- greed (Luke 12:15)
- selfishness (Philippians 2:3, 4)
- pride (James 4:6)

These worldly attitudes/mindsets represent ungodly thinking. See session #3 for the chart comparing worldly versus godly attitudes towards money.

11

Financial Deception #3—Smart People Use Other People's Money

This is a lie. The only way that is true is **if you can predict the future**—that is, know the direction of markets and the economy.

The absolute truth is that only God knows the future (Isaiah 46:10, James 4:13-15). Humans can make our best guess about the future, but often we are wrong.

*"Do not boast about tomorrow, for you do not know what a day may bring forth" (Proverbs 27:1).*

**In other words, there are no "sure deals."**

12

Using minimal debt or better no debt is supported by Scripture:

- ▶ In Deuteronomy 28, God promised His people that if they fully obeyed Him, they would be lenders, not borrowers.
- ▶ In the Bible, debt was considered to be a curse, not a blessing. **Even today, debt is usually a curse or a burden not a blessing.**
- ▶ It is not a sin to borrow, it is a sin to borrow and not repay [Psalms 37:21].
- ▶ However, God warns of the dangers of debt [Proverbs 22:7] and God instructs us to put Him first and trust Him, not the bank, to meet our needs [Proverbs 3:5, 6, Phil 4: 19].

13

Financial Deception #3—Smart People Use Other People's Money

During difficult times, those who use debt suffer the most and those with cash can get some great bargains.

*KeyPoint—From God's perspective, smart people do **not** use other people's money, but rather **smart people borrow as little as possible and pay it off ASAP.***

14

4. How does the world define financial freedom?

And how does God define financial freedom?

15

Financial Deception #4—Financial Freedom Is Attained by Having Lots of Money

Many wealthy people have *no peace* in the area of finances. They are not "financially free." They are stressed out by money-related problems—such as where should I invest my money, what if I lose my money etc..

*True financial freedom comes only from having God's peace in the area of finances. In John 14:27, Jesus said: "Peace I leave with you; my peace I give you. I do not give to you as the world gives. Do not let your hearts be troubled and do not be afraid."*

16

To obtain God's peace and joy with respect to finances, may I suggest the following:

1. Believe that God and His Truth in His Word will set you free from the deceptions of this world.

*"To the Jews who had believed Him, Jesus said, 'If you hold to my teaching, you are really my disciples. **Then you will know the truth, and the truth will set you free.**'"* (John 8:31, 32)

17

To obtain God's peace and joy with respect to finances, may I suggest the following:

2. Learn to be content with God's provision:

*"for I have learned to be content whatever the circumstances. .... I have learned the secret of being content in any and every situation, whether well fed or hungry, whether living in plenty or in want. I can do everything through Him [i.e. Christ] who gives me strength." (Philippians 4:11-13)*

18

To obtain God's peace and joy with respect to finances, may I suggest the following:

**3. Acknowledge that the accumulation of money and material things is temporary and not of any eternal value (Matthew 6:19-21).**

**4. Experience the joy of giving. Jesus said, "It is more blessed to give than to receive" (Acts 20:35).**

19

To obtain God's peace and joy with respect to finances, may I suggest the following:

**5. Recognize that you are a steward, not an owner (1 Chronicles 29:11, 12). Your responsibility is to apply God's financial principles and do God's will. God's promise is that if we put Him first, He will meet our needs. (Matthew 6:31-33)**

20

#### Financial Deception #4—Financial Freedom Is Attained by Having Lots of Money

In summary, one of the deceptions of this world is that financial freedom comes from having lots of money and material things. True financial freedom comes only from having God's peace, joy, and contentment in the area of finances.



23

#### Financial Deception #5—It Makes Sense to Buy Now and Pay Later

Today almost anything can be purchased with little or no down payment. Advertisements enticing you with "no payments and no interest" for 1 to 2 years are very common.

"Easy credit" creates a big temptation to "buy now and pay later."



22

#### Financial Deception #5—It Makes Sense to Buy Now and Pay Later

God's directive is for us to wait for His provision and His timing.

**Psalm 37:7** states, "*Rest in the Lord and wait patiently for Him*" (NASB).

**Lamentations 3:24** states, "*The Lord is my portion; therefore I will wait for Him.*"

23

#### Financial Deception #5—It Makes Sense to Buy Now and Pay Later

If you have a need, and if you pray and wait upon the Lord, God can provide in many ways—such as an unexpected income, a better deal, or perhaps another alternative.

Unfortunately, many Christians do not pray and do not wait for God's provision. In a sense, they don't even give God a chance to provide.

24

Financial Deception #5—It Makes Sense to Buy Now and Pay Later

In **Matthew 6:31-33**, God promised that He will meet our needs if we put Him first:

*“So do not worry, saying, ‘What shall we eat?’ or ‘What shall we drink?’ or ‘What shall we wear?’ For ... your heavenly Father knows that you need them. **But seek first His kingdom and His righteousness, and all these things will be given to you as well.**”*

25

Financial Deception #5—It Makes Sense to Buy Now and Pay Later

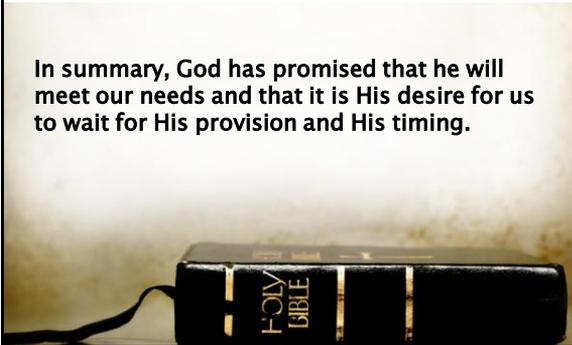
God has also instructed us to be content with what He has provided:

*“Keep your lives free from the love of money and **be content with what you have**, because God has said, ‘Never will I leave you; never will I forsake you.’” (Hebrews 13:5)*

26

Financial Deception #5—It Makes Sense to Buy Now and Pay Later

In summary, God has promised that he will meet our needs and that it is His desire for us to wait for His provision and His timing.



29

Financial Deception #6—Bankruptcy Will Solve My Financial Problems

The Bible is clear that it is not God’s will for anyone to go bankrupt.

*“**The wicked borrow and do not repay, but the righteous give generously.**” (Psalm 37:21)*

**Bankruptcy is a bad testimony.** God instructs us- *“In the same way, let your light shine before men, that they may see your good deeds and praise your Father in heaven” (Matthew 5:16).*

28

Financial Deception #6—Bankruptcy Will Solve My Financial Problems

Bankruptcy just treats the symptom.

*The real problem is generally the violation of God’s financial principles, which usually continues even if current debts are eliminated by bankruptcy.*

Solution—learn God’s way of managing money.

29

Summary of different types of financial deceptions

1. Living paycheck to paycheck is okay.
2. Debt restructuring will solve your financial problems.
3. Smart people use other people’s money.
4. Financial freedom is attained by having lots of money.
5. It makes sense to buy now and pay later.
6. Bankruptcy will solve my financial problems.

30

How would you suggest people deal with financial deceptions?

31

How to deal with Financial Deceptions?

The solution is to **change the way you think** from a worldly perspective to a godly perspective.

Recommendation—follow the instructions in this session's memory verses below.

**"Do not conform any longer to the pattern of this world, but be transformed by the renewing of your mind" (Romans 12:2)**

*"Do not let this Book of the Law depart from your mouth; meditate on it day and night, so that you may be careful to do everything written in it."* (Joshua 1:8).

It is God's truth that will set you free [John 8:32] from the deceptions of this world.